

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Lakewood Utilities, LLC
for the establishment of Service Area, **COPY**
Rates and Charges for the
Provision of Water and Sewer
Services

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

Posted: AdDept: S.A. 101 **DOCKET**Date: 12/2/09 NUMBER: 2009 - 457 - w/sTime: 3:10

(Please type or print)

Submitted by: Lakewood Utilities, LLC

SC Bar Number: _____

Address: 5901 South Kings HighwayTelephone: (843) 447-7326Myrtle Beach, SC 29575Fax: (843) 447-7350

Other: _____

Email: lakewoodcampground.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Routine

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input checked="" type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

RECEIVED

DEC 02 2009

PSC SC
DOCKETING DEPT.

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-712.2.5 - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Meter Test and Repairs, and Emergencies during non-office hours.

Lakewood Camping Resort, Inc.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

5901 South Kings Highway

Business Address

Myrtle Beach, SC 29575

City, State, Zip Code

A. Shannon P. Gomer, CEO

Regulatory Contact or Officer of the Company (Please Print or Type)

(843) 238-5161 / (843) 447-7350

Telephone Number / Facsimile Number / E-mail Address

B. Front Desk Registration

Customer Relations (Complaints) Representative (Please Print or Type)

(843) 238-5161 / (843) 447-7350

Telephone Number / Facsimile Number / E-mail Address

C. William C. Wiley

Engineering Operations Representative (Please Print or Type)

(843) 447-7311 / (843) 447-7350 / bwiley@lakewoodcampground.com

Telephone Number / Facsimile Number / E-mail Address

D. William C. Wiley

Test and Repair Representative (Please Print or Type)

(843) 447-7311 / (843) 447-7350 / bwiley@lakewoodcampground.com

Telephone Number / Facsimile Number / E-mail Address

E. William C. Wiley

Contact for Emergencies During Non-Office Hours (Please Print or Type)

(843) 447-7311 / (843) 447-7350 / bwiley@lakewoodcampground.com

Telephone Number / Facsimile Number / E-mail Address

F. Anthony J. Snyder

Financial Representative (Please Print or Type)

(843) 447-7310 / (843) 447-7350 / asnyder@sccoast.net

Telephone Number / Facsimile Number / E-mail Address

G. (877) 525-3966, (800) 258-8309

Customer Contact Telephone Number for Company (Toll Free)

William C. Wiley

This form was completed by

Signature

If you have any questions, contact the Utilities Department at (803-737-0800)

AUTHORIZED UTILITY REPRESENTATIVE

Provide the *name, title, address and telephone number of the designated regulatory affairs staff who should be contacted in connection with general management duties and customer complaints received via the South Carolina Office of Regulatory Staff.*

Lakewood Utilities, LLC

COMPANY NAME (Including dba Name(s) or Acronyms used or to be used in SC)

Federal ID#

a. Melissa D. Gause, Corporate Manager

General Manager (Print)

5901 South Kings Highway

Address

Myrtle Beach, SC 29575

City, State, Zip Code

(843) 447-7326

(843) 447-7350

corporate@lakewoodcampground.com

Telephone Number

/

Facsimile Number

/

E-mail Address

b. Front Desk Registration

Customer Relations/Complaints Representative (Print)

5901 South Kings Highway

Address

Myrtle Beach, SC 29575

City, State, Zip Code

(843) 238-5161

(843) 447-7350

bwiley@lakewoodcampground.com

Telephone Number

/

Facsimile Number

/

E-mail Address

c. Melissa D. Gause

Customer Relations/Complaints Representative for Escalated Complaints (Print)

5901 South Kings Highway

Address

Myrtle Beach, SC 29575

City, State, Zip Code

(843) 447-7326

(843) 447-7350

corporate@lakewoodcampground.com

Telephone Number

/

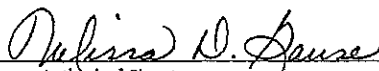
Facsimile Number

/

E-mail Address

Melissa D. Gause

Printed Name



Authorized Signature



**INFORMATION TO BE FILED WITH THE PUBLIC SERVICE COMMISSION
AND THE OFFICE OF REGULATORY STAFF
FOR THE ESTABLISHMENT OF A WATER UTILITY**

Company _____

- _____ 1. Copy of articles of incorporation or partnership agreement.
- _____ 2. Plat of proposed area to be served.
- _____ 3. Copy of engineering plans and specifications designed or certified to be in accord with good engineering practices by a professional engineer registered in South Carolina.
- _____ 4. Construction permits from the Department of Health and Environmental Control approving engineering plans and specifications.
- _____ 5. Schedule of proposed rates and charges and cost justifications, including tap fees with attached schedule depicting labor costs, materials costs, and miscellaneous costs.
- _____ 6. Number of customers proposed to be served and capacity of system.
- _____ 7. Financial statement showing proposed plant investment by categories.
- _____ 8. Depreciation schedule by categories of plant or average service lives.
- _____ 9. Pro-forma income and expense statement showing the effect of using the proposed rates based on plant capacity.
- _____ 10. Filing of performance bond in accordance with 26 S.C. Code Regs. 103-712.3.
- _____ 11. Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the Commission and will furnish adequate service for the area to be served.
- _____ 12. Letter from the Department of Health and Environmental Control approving system for operation, dated not more than six (6) months prior to date of application.
- _____ 13. Customer bill form.
- _____ 14. Other pertinent or relevant information determined necessary by the Commission.

Revised 06/05/06



**INFORMATION TO BE FILED WITH THE PUBLIC SERVICE COMMISSION
AND THE OFFICE OF REGULATORY STAFF
FOR THE ESTABLISHMENT OF A WASTEWATER UTILITY**

Company _____

- _____ 1. Copy of articles of incorporation or partnership agreement.
- _____ 2. Plat of proposed area to be served.
- _____ 3. Copy of engineering plans and specifications designed or certified to be in accord with good engineering practices by a professional engineer registered in South Carolina.
- _____ 4. Construction permits from the Department of Health and Environmental Control approving engineering plans and specifications.
- _____ 5. Schedule of proposed rates and charges and cost justifications, including tap fees with attached schedule depicting labor costs, materials costs, and miscellaneous costs.
- _____ 6. Number of customers proposed to be served and capacity of system.
- _____ 7. Financial statement showing proposed plant investment by categories.
- _____ 8. Depreciation schedule by categories of plant or average service lives.
- _____ 9. Pro-forma income and expense statement showing the effect of using the proposed rates based on plant capacity.
- _____ 10. Filing of performance bond in accordance with 26 S.C. Code Regs. 103-512.3.
- _____ 11. Statement by a professional engineer that the system was built and installed according to plans and specifications on file with the Commission and will furnish adequate service for the area to be served.
- _____ 12. Letter from the Department of Health and Environmental Control approving system for operation, dated not more than six (6) months prior to date of application.
- _____ 13. Customer bill form.
- _____ 14. Other pertinent or relevant information determined necessary by the Commission.

Revised 01/12/05

Lakewood Utilities, LLC
Application to the
Public Service Commission of South Carolina
For the Establishment of
Service Area, Rates and Charges

Filed

October 30th, 2009

RECEIVED

DEC 02 2009.

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Lakewood Utilities, LLC

Application to the

Public Service Commission of South Carolina

For the Establishment of

Service Area, Rates and Charges

Filed

October 1st, 2009

Lakewood Utilities, LLC

Index

1. Articles of Incorporation
2. Plat of Service Area
3. Engineering Plans & Specifications
4. DHEC Construction Permit
5. Schedule of Proposed Rates & Charges
6. Customers Served
7. Plant Investment by Category
8. Depreciation Schedule by Category
9. Pro-Forma Income Statement
10. Performance Bond
11. Statement by Professional Engineer
12. DHEC Operating Permit
13. Customer Bill Form
14. Other

Lakewood Utilities, LLC

Articles of Incorporation

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

LAKEWOOD UTILITIES, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on June 4th, 2009, with a duration that is until Wednesday, June 04, 2059, has as of this date filed all reports due this office, including its most recent annual report as required by section 33-44-211, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed a certificate of cancellation as of the date hereof.

Given under my Hand and the Great Seal of the
State of South Carolina this 4th day of June,
2009

Mark Hammond

Mark Hammond, Secretary of State

CERTIFIED TO BE A TRUE AND CORRECT
COPY AS TAKEN FROM AND COMPARED
WITH THE ORIGINAL ON FILE IN THIS OFFICE

Jun 04 2009

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

090604-0076

Filed: 6/4/2009

LAKEWOOD UTILITIES, LLC

Filing Fee: \$110.00 ORIG


Mark Hammond South Carolina Secretary of State

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
FOR A
LIMITED LIABILITY COMPANY

The undersigned delivers the following articles of organization to form a South Carolina limited liability company pursuant to Sections 33-44-202 and 33-44-203 of the South Carolina Code of Laws, as amended.

1. The name of the limited liability company which complies with Section 33-44-105 of the 1976 South Carolina Code of Laws, as amended is LAKEWOOD UTILITIES, LLC

2. The address of the initial designated office of the Limited Liability Company in South Carolina is

5901 S. KINGS HWY

Street Address

MYRTLE BEACH SC

295754967

City

Zip Code

3. The initial agent for service of process of the Limited Liability Company is

SHANNON P. GOMER

Electronically filed on SCBOS.

Signature not required.

Name

Signature

and the street address in South Carolina for this initial agent for service of process is

5901 S. KINGS HWY

Street Address

MYRTLE BEACH SC

295754967

City

Zip Code

4. The name and address of each organizer is

- a) SHANNON P. GOMER

Name

5901 S KINGS HWY

Street

MYRTLE BEACH

SC US

295754967

City

State

Zip Code

5. ☒ Check this box if the company is to be a term company. If so, provide the term specified:
50 YEARS
6. ☐ Check this box only if management of the limited liability company is vested in a manager or managers. If this company is to be managed by managers, specify the name and address of each initial manager:
7. ☐ Check this box if one or more of the members of the company are to be liable for its debts and obligations under section 33-44-303(c). If one or more members are so liable, specify which members, and for which debts, obligations or liabilities such members are liable in their capacity as members.
8. Unless a delayed effective date is specified, these articles will be effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time:
2009-06-04
9. Set forth any other provisions not inconsistent with law which the organizers determine to include, including any provisions that are required or are permitted to be set forth in the limited liability company operating agreement.
N/A
10. Signature of each organizer
- Electronically filed on SCBOS. Date 2009-06-04
Refer to attached signature page.

Lakewood Utilities, LLC

Plat of Service Area

MAP NOT TO SCALE

Legend

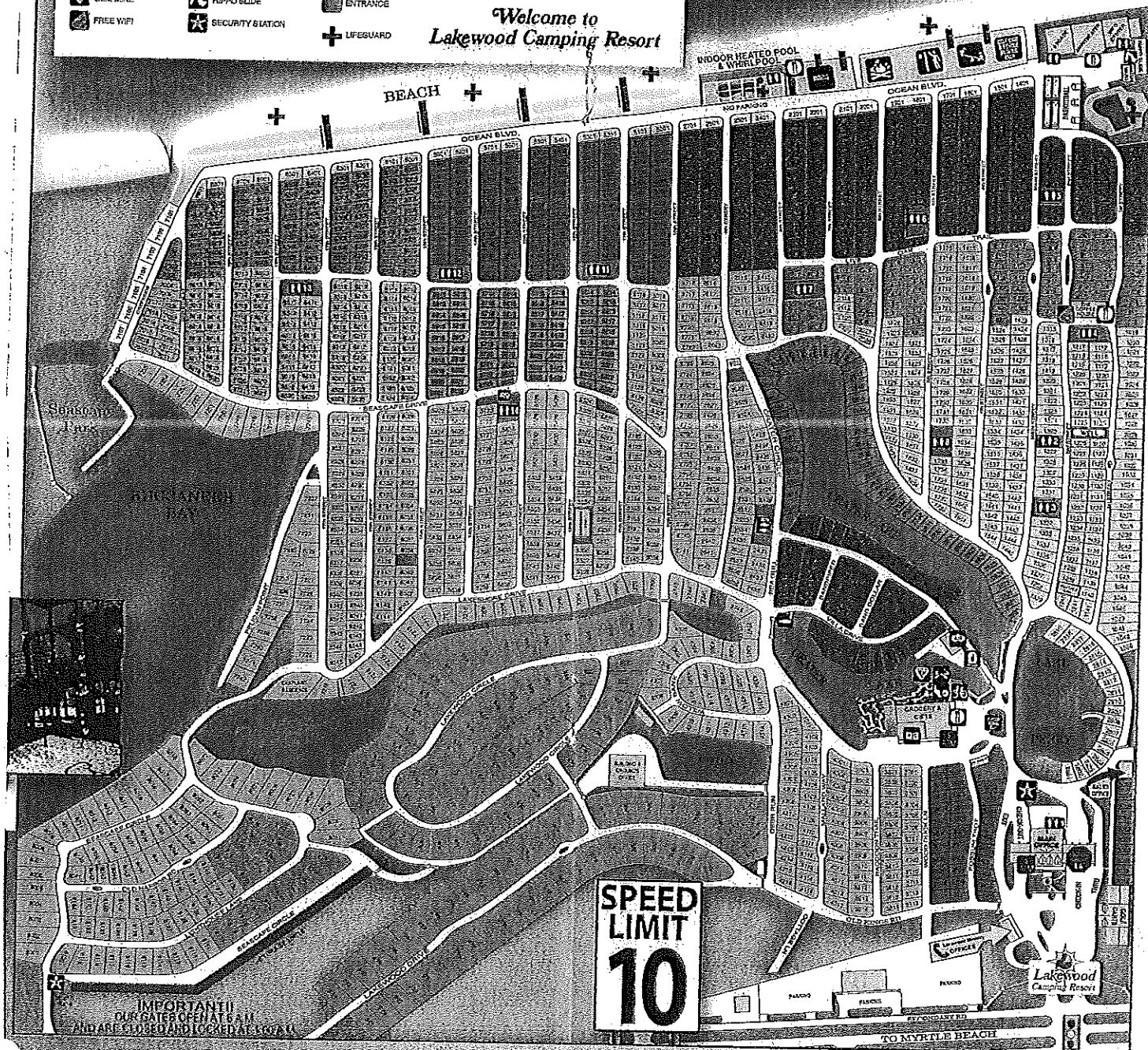
- | | | | | |
|-------------------|-----------------------|--------------------|--------------------|----------------------|
| PLAYGROUND | FISH CLEANING | OCEANFRONT (SOUTH) | OCEANFRONT (NORTH) | CRATER LAKE VILLAGES |
| MINI-GOLF | SANITARY DUMP STATION | BLOCK 1 (SOUTH) | BLOCK 1 (MIDDLE) | SEASCAPE VILLAGES |
| BOAT RENTALS | FREE AIR PUMP | BLOCK 2 (SOUTH) | BLOCK 2 (MIDDLE) | ANNUAL LEASE SITES |
| BICYCLE RENTALS | PROPANE GAS STATION | BLOCK 3 (SOUTH) | BLOCK 1 (NORTH) | MOBILEHOME PARK |
| CAMPFIRE PIT | EATERY | CRATER LAKE | BLOCK 2 (NORTH) | |
| TELEPHONES | LAUNDROMAT | LAKE PERRY | INLET (NORTH) | |
| VOLLEYBALL COURTS | RESTROOM | ENTRANCE | | |
| GEM MINE | HIPPO SLIDE | | | |
| FREE WIFI | SECURITY STATION | LIFESAVER | | |

WI-FI AVAILABILITY
BLOCKS 1&2
BEACH FRONT ONLY!

FREE WIFI at
the Lakewood
COFFEE HOUSE

FOR POOL TIMES
TUNE INTO LAKEWOOD TV3

Welcome to
Lakewood Camping Resort



SPEED
LIMIT
10

IMPORTANT!!
OUR GATES OPEN AT 6 AM
AND ARE CLOSED AND LOCKED AT 10 PM

Lakewood
Camping Resort

Lakewood Utilities, LLC

Engineering Plans & Specifications

Lakewood Utilities, LLC

Lakewood Camping Resort, Inc. began construction of the water and sewer systems in the 1960's, and over the years, additional service lines were installed to meet the growing demand for water and sewer services.

In 1988, the South Carolina Department of Health and Environment Control Bureau of Drinking Water Protection (DHEC) issued an operating permit to;

Lakewood Camping Resort, Inc. (2660049)

5901 South Kings Highway

Myrtle Beach, S.C. 29575

DHEC has renewed the operating permit annually for all subsequent years. Lakewood Camping Resort's current operating permit is valid through 2010.

Lakewood Camping Resort, Inc. has been unable to locate plans and specifications as required by Code of Regulations Section R.103-712.4(B)(3).

In view of the current operating permit issued to Lakewood Camping Resort, Inc. by DHEC, Lakewood Utilities, LLC hereby respectfully request that the Public Service Commission of South Carolina grant a waiver for the requirement of Engineering Plans and Specifications as required by the Code of Regulations Section R.103-712.4(B)(3).

Lakewood Utilities, LLC

DHEC Construction Permits

Lakewood Utilities, LLC

The construction of Lakewood Utilities, LLC water and sewer systems is essentially complete and has been in operation, in whole or part, since the 1960's.

Lakewood Camping Resort, Inc. currently has an operating permit for the water and sewer facilities as discussed in Section 3 Engineering Plans and Specifications above.

In view of the above, Lakewood Utilities, LLC hereby respectfully request that the Public Service Commission of South Carolina grant a waiver to Lakewood Utilities, LLC for the requirements of DHEC construction permits as required by Code of Regulations Section R.103-712.4(B)(4).

Lakewood Utilities, LLC

Schedule of Proposed Rates & Charges

Lakewood Utilities, LLC

1. Lakewood Utilities, LLC proposes to implement rates and charges for water and sewer service in two phases. Phase One would be a Flat Rate for all water and sewer consumption. Phase One would be implemented 30 days after the issuance of a Commission Order. Phase Two would be a Base Rate plus Volume Rate for all water and sewer consumption. Phase Two would be implemented 1 year after the issuance of a Commission Order.

2. Phase One Rates: Flat Rate	WATER	SEWER
Annual leases	\$11.75	\$ 6.75
Transient Sites: \$2.00 per site, per day of occupancy		
3. Phase Two Rates: Base Rate plus Volume Rate	WATER	SEWER
Base Rate	\$10.00	\$ 5.50
Volume Rate per 1000 gallons	\$ 1.75	\$ 1.25

4. The Utility requests a Reconnection Fee of \$35.00 shall be due prior to reconnecting water service which has been disconnected for any reason as set forth in Code of Regulation R.103-732.5.

5. Any Customer may request that service to their site be temporarily disconnected, provided however, that the Customer will be charged the Base Rate in addition to the Reconnection fee if service is reconnected within 1 year.

6. Recurring charges will be billed monthly in arrears.

7. Any unpaid balance within 25 days of the billing date shall be past due. Past due accounts shall be assessed a late payment charge of one and one-half percent (1.5%) per month, or any part of a month, that said payment is past due.

8. A Notification Fee of \$5.00 shall be charged to each customer to whom the Utility must mail notice to as required by the Commission.

9. Water Tap-in Fees will only apply in Phase Two. Tap-in fees will be \$450.00 to cover the cost of labor and materials.

10. Sewer Tap-in Fees will only apply in Phase Two. Tap-in fees will be \$350.00 to cover the cost of labor and materials.

11. Backflow Prevention installation Fees will be \$300.00 to cover cost of labor and materials.

Lakewood Utilities, LLC

12. Lakewood Utilities, LLC shall give the Commission thirty days notice of its intent to pass-through to customers treatment charges which are higher than those in effect at the time of the Commission's approval of the within rate schedule. Lakewood Utilities, LLC shall provide with such notice written documentation of an increase by the provider of treatment services justifying the increase in the amount of treatment charges sought to be passed-through to effected customers. In the event that an increase in the amount of treatment charges to be passed-through to customers is found by the Commission to be so justified, Lakewood Utilities, LLC will then be required to give customers advance notice before the increase in the treatment charges to be passed-through may be put into effect.

13. Lakewood Utilities, LLC hereby respectfully submits the above rates and charges as required by the Code of Regulations Section R.103-512.4(B)(5) and Section R.103-712.4(B)(5).

Lakewood Utilities, LLC

Customers Served

Lakewood Utilities, LLC

There are approximately 1800 campsites at Lakewood Camping Resort, Inc. Of these, approximately 700 campsites are "annual lease" campsites and approximately 1100 are "transient" campsites. The "annual lease" campsites are those leased on a yearly basis. The "transient" campsites are those rented on a daily, weekly, and monthly basis.

Lakewood Utilities, LLC will be responsible for the operation and maintenance of the water and sewer systems at the campground. The Campground will provide water and sewer services for the "transient" campsites, irrigation of campground, laundry facilities, trading post, and swimming pool facilities, etc. Lakewood Utilities, LLC intends to meter the water usage of as many of these activities as practicable. Lakewood Camping Resort, Inc. will become a customer of Lakewood Utilities, LLC.

In Phase One a Flat Rate will be charged for all water and sewer consumption. In Phase Two a Base Rate plus Volume Rate will be charged for all water and sewer consumption. In Phase Two Lakewood Camping Resort, Inc. and Lakewood Utilities, LLC agree that Lakewood Camping Resort, Inc. will be responsible for all unmetered water and sewer consumption, except as provided for in Code of Regulations Section R.103-533 and R.103-733.

Lakewood Utilities, LLC

Plant Investment by Category

Lakewood Utilities, LLC

See Depreciation Schedule for Property Description

Lakewood Utilities, LLC

Depreciation Schedule by Category

FYE: 12/31/2010

Tax Asset Detail 1/01/10 - 12/31/10

Page 1

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: AUTOS											
23	1993 GMC C1500 TRUCK	5/10/00	8,800.00	0.00	0.00	8,800.00	0.00	8,800.00	0.00	200DB	5.0
	AUTOS		8,800.00	0.00c	0.00	8,800.00	0.00	8,800.00	0.00		
Group: EQUIPMENT											
17	PUMP FOR WELL	9/30/92	4,733.40	0.00	0.00	4,733.40	0.00	4,733.40	0.00	200DB	5.0
18	WATER TANK	4/05/95	13,442.65	0.00	0.00	13,442.65	0.00	13,442.65	0.00	200DB	5.0
19	WELL #2 TRANSFER SWITCH	9/03/01	1,017.01	0.00	0.00	1,017.01	0.00	1,017.01	0.00	200DB	5.0
21	WELL PULLER	8/13/99	1,891.18	0.00	0.00	1,891.18	0.00	1,891.18	0.00	200DB	5.0
22	2 STARTERS FOR WELLS 1&2	2/07/02	5,948.70	0.00	1,784.61	5,948.70	0.00	5,948.70	0.00	200DB	5.0
	EQUIPMENT		27,032.94	0.00c	1,784.61	27,032.94	0.00	27,032.94	0.00		
Group: LINES, WELLS, & METERS											
1	NEW SEWER	7/15/85	173,973.70	0.00	0.00	173,973.70	0.00	173,973.70	0.00	PRE	10.0
2	WATER & SEWER ASSETS	5/03/85	11,472.00	0.00	0.00	11,472.00	0.00	11,472.00	0.00	PRE	10.0
3	WELL	2/28/86	57,124.47	0.00	0.00	57,124.47	0.00	57,124.47	0.00	PRE	10.0
4	SEWER SYSTEM	6/30/90	2,403.00	0.00	0.00	2,403.00	0.00	2,403.00	0.00	150DB	15.0
5	SEWER SYSTEM	4/30/97	21,728.70	0.00	0.00	18,689.89	1,215.52	19,905.41	1,823.29	150DB	15.0
6	WATER & SEWER EXTENSIONS	3/10/98	3,620.11	0.00	0.00	2,871.93	213.77	3,085.70	534.41	150DB	15.0
7	WATER TANK	2/06/98	9,060.40	0.00	0.00	7,187.88	535.01	7,722.89	1,337.51	150DB	15.0
8	WELL #2 OVERHAUL	5/25/99	43,726.73	0.00	0.00	32,107.65	2,582.02	34,689.67	9,037.06	150DB	15.0
9	WELL	6/16/00	207,466.38	0.00	0.00	140,087.63	12,250.68	152,338.31	55,128.07	150DB	15.0
10	WELL FENCE	1/15/00	3,177.55	0.00	0.00	2,145.58	187.63	2,333.21	844.34	150DB	15.0
11	3400 ROW SEWER	8/29/00	23,943.15	0.00	0.00	16,167.15	1,413.82	17,580.97	6,362.18	150DB	15.0
12	WELL #1 & #2	11/12/03	12,570.50	0.00	0.00	6,013.74	771.38	6,785.12	5,785.38	150DB	15.0
13	SEWER LINES	3/31/92	37,522.00	0.00	0.00	37,522.00	0.00	37,522.00	0.00	150DB	15.0
14	SEWER LINES	4/01/93	86,776.00	0.00	0.00	86,776.00	0.00	86,776.00	0.00	150DB	15.0
15	SEWER SYSTEM	6/01/95	24,890.17	0.00	0.00	24,340.09	550.08	24,890.17	0.00	150DB	15.0
16	WELL RESTORATION	12/31/03	217,189.74	0.00	0.00	86,875.92	14,479.32	101,355.24	115,834.50	S/L	15.0
20	METERS	1/01/10	194,568.13	0.00c	0.00	0.00	9,728.41	101,355.24	184,839.72	150DB	15.0
24	Meier Installation	1/01/10	25,363.89	0.00c	0.00	0.00	1,690.93	1,690.93	23,672.96	S/L	15.0
	LINES, WELLS, & METERS		1,156,576.62	0.00c	6,013.74	705,758.63	45,618.57	751,377.20	405,199.42		
Group: SOFTWARE											
25	BILLING SOFTWARE	1/01/10	15,000.00	0.00c	0.00	0.00	5,000.00	5,000.00	10,000.00	S/L	3.0
	SOFTWARE		15,000.00	0.00c	0.00	0.00	5,000.00	5,000.00	10,000.00		
	Grand Total		1,207,409.56	0.00c	7,798.35	741,591.57	50,618.57	792,210.14	415,199.42		

Lakewood Utilities, LLC

Pro-Forma Income Statement

**LAKEWOOD UTILITIES, LLC,
A WHOLLY-OWNED SUBSIDIARY OF
LAKEWOOD CAMPING RESORT, INC.**

FORECASTED FINANCIAL STATEMENTS

DECEMBER 31, 2010

LAKWOOD UTILITIES, LLC
Myrtle Beach, South Carolina

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Myrtle Beach • Florence • Columbia • Georgetown • Litchfield • Charleston • Sumter

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Lakewood Utilities, LLC
Myrtle Beach, South Carolina

We have compiled the accompanying forecasted balance sheet, statement of income, changes in member's capital, and cash flows of Lakewood Utilities, LLC, a wholly-owned subsidiary of Lakewood Camping Resort, Inc. as of and for the year ending December 31, 2010, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

As discussed in the Summary of Significant Assumptions, the forecast takes into account events and circumstances that were not anticipated at July 15, 2009, the date a previous forecast was issued for the same period, and that should no longer be relied on. We previously compiled and reported on the previous forecast. Our report on that forecast should no longer be relied on for any purpose.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows for the forecast period. Accordingly, this forecast is not designed for those who are not informed about such matters.

Webster Rogers LLP

Myrtle Beach, South Carolina
September 15, 2009

LAKEWOOD UTILITIES, LLC
FORECASTED BALANCE SHEET
DECEMBER 31, 2010

ASSETS

Current Assets

Cash	\$ 64,252
Accounts Receivable - Trade	<u>25,200</u>

Total current assets	<u><u>89,452</u></u>
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Property and Equipment

Machinery & Equipment	27,033
Lines, Wells & Meters	1,156,577
Software	15,000
Automobiles	8,800
Less: Accumulated Depreciation	<u>(792,210)</u>

Net property and equipment	<u><u>415,200</u></u>
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TOTAL ASSETS	<u><u>\$ 504,652</u></u>
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LIABILITIES AND MEMBER'S CAPITAL

Current Liabilities

Accounts Payable and Accrued Liabilities	\$ <u>19,268</u>
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Total current liabilities	<u><u>19,268</u></u>
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Total Liabilities	<u><u>19,268</u></u>
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Member's Capital

Member's Capital	<u>485,384</u>
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Total member's capital	<u><u>485,384</u></u>
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TOTAL LIABILITIES AND MEMBER'S CAPITAL	<u><u>\$ 504,652</u></u>
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See accompanying Accountants' Compilation Report and Summary of Significant Assumptions

LAKEWOOD UTILITIES, LLC
FORECASTED STATEMENT OF INCOME
FOR THE YEAR ENDING DECEMBER 31, 2010

Revenues	
Transient Rentals	\$ 147,000
Annual Lease Water Fees	98,700
Annual Lease Sewer Fees	<u>56,700</u>
Total revenues	<u>302,400</u>
Cost of Revenues	
Sewage Collection Fees	93,000
Salaries	50,794
Depreciation	50,619
Repairs & Maintenance	13,000
Laboratory Testing Fees	12,206
DHEC - Water Fee	10,800
Insurance - Employee	6,924
Electric	5,808
Chemicals	4,836
Taxes - Payroll	3,886
Letter of Credit Renewal Fee	<u>1,000</u>
Total cost of revenues	<u>252,873</u>
Gross Income	<u>49,527</u>
Operating Expenses	
Salaries - Administrative	20,800
Postage	3,696
Auto Expense	2,400
Taxes - Administrative Payroll	1,591
Professional Fees	1,200
Licenses & Permits	155
Bank Charges	<u>120</u>
Total operating expenses	<u>29,962</u>
Net Income	<u><u>\$ 19,565</u></u>

See accompanying Accountants' Compilation Report and Summary of Significant Assumptions

LAKWOOD UTILITIES, LLC

**FORECASTED STATEMENT OF CHANGES IN MEMBER'S CAPITAL
FOR THE YEAR ENDING DECEMBER 31, 2010**

Member's Capital, January 1, 2010	\$	
Contributed Capital		465,819
Net Income		<u>19,565</u>
Member's Capital, December 31, 2010	\$	<u><u>485,384</u></u>

See accompanying Accountants' Compilation Report and Summary of Significant Assumptions

LAKEWOOD UTILITIES, LLC

**FORECASTED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING DECEMBER 31, 2010**

Cash Flows From Operating Activities	
Net Income	\$ 19,565
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation	50,619
Change in Accounts Receivable	(25,200)
Change in Accounts Payable	19,268
Total adjustments	44,687
Net cash provided by operating activities	64,252
Cash Flows from Financing Activities	
Loan from Related Party	19,268
Payment of Loan from Related Party	(19,268)
Net cash provided by financing activities	-
Net increase in cash and cash equivalents	64,252
Cash and Cash Equivalents at Beginning of Period	-
Cash and Cash Equivalents at End of Period	\$ 64,252
Noncash Investing and Financing Transactions	
Contribution of capital assets	\$ 465,819

See accompanying Accountants' Compilation Report and Summary of Significant Assumptions

LAKESWOOD UTILITIES, LLC

SUMMARY OF SIGNIFICANT ASSUMPTIONS FOR THE YEAR ENDING DECEMBER 31, 2010

Note A. Significant Assumptions

Lakewood Utilities, LLC is a wholly-owned subsidiary of Lakewood Camping Resort, Inc (LCR). Lakewood Camping Resort, Inc. owns approximately 1,800 campsites for which it provides water and sewage service. Historically, water and sewage fees have been included in normal campsite rental charges. In an effort to increase revenue and recover the cost of the operation and maintenance of the system, LCR will begin assessing separate water and sewage charges on January 1, 2010. Assessing water and sewage charges requires approval of rates and service areas from the South Carolina Public Service Commission (PSC). Additionally, the PSC requires annual financial statements for the water and sewage operations. Lakewood Utilities, LLC has been created to segregate revenues and costs from the normal campground operations for PSC reporting purposes.

As discussed in the Accountants' Compilation Report, a previous forecast was issued on July 15, 2009. This original anticipated contributed capital of \$423,846 in the form of fixed assets. The contributed capital has subsequently been forecast to be \$465,819 in the form of fixed assets. In light of the increase in fixed assets, the depreciation expense increased from \$49,967 to \$50,619. Additionally, letter of credit renewal fees in the amount of \$1,000 have been added as cost of revenues on the forecasted statement of income.

Nature of presentation

These financial forecasts present, to the best of management's knowledge and belief, the Company's expected financial position, results of operations, and cash flows for the forecast period. Accordingly, the forecasts reflect its judgment, as of September 15, 2009, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Initial capitalization

The Company's sole member, Lakewood Camping Resort, Inc., will capitalize the Company by contributing fixed assets valued at \$465,819.

Revenue

Revenues are forecasted based on the expectations of the Company's management team, using these assumptions:

1. Annual lease sites will be charged monthly fees of \$11.75 for water and \$6.75 for sewer. There are 700 annual lease sites, and management expects 100% occupancy.
2. Transient rental sites will be charged \$1.50 per night to include water and sewer. Management expects approximately 98,000 transient rental nights in 2010. The Company has 1,100 transient rental sites.

LAKWOOD UTILITIES, LLC
SUMMARY OF SIGNIFICANT ASSUMPTIONS
FOR THE YEAR ENDING DECEMBER 31, 2010

Note A. Significant Assumptions (continued)

Revenue (continued)

Lakewood Utilities, LLC will assess late fees and reconnection fees. However, management has not included such fees in their revenue forecast, as they expect few collection issues.

Cost of revenues

Cost of revenues are forecasted based on the expectations of the Company's management team, which has extensive experience in the industry, and analysis of Lakewood Camping Resort, Inc.'s (LCR) experience providing water and sewage services historically. The following are detailed assumptions for the cost of revenues:

1. Sewage collection fees – Sewage collection fees paid to the Grand Strand Sewage Company are estimated by management based on management's similar experience with the operations of LCR.
2. Salaries – Management expects to employ one manager at an hourly rate of \$14.50 per hour and one laborer at \$10.00 per hour. Both positions will be full time.
3. Depreciation – Depreciation is computed using the straight-line method over expected useful lives.
4. Repairs & Maintenance – Repairs and maintenance costs are estimated by management based on management's similar experience with the operations of LCR.
5. Laboratory testing fees – Laboratory testing fees are estimated by management based on management's similar experience with the operations of LCR.
6. DHEC annual water fees – DHEC charges an annual fixed water fee of \$10,800.
7. Employee Insurance – The employer portion of employee medical insurance is forecasted to be \$577 per month (carried for the manager) based on management's similar experience with the operations of LCR.
8. Electric – Electric costs are estimated by management based on management's similar experience with the operations of LCR.
9. Chemicals – Chemical costs are estimated by management based on management's similar experience with the operations of LCR.
10. Payroll taxes – Payroll taxes are forecasted at 7.65% of total salaries.
11. Letter of Credit Renewal Fee – A \$100,000 letter of credit is carried in lieu of bonding. The letter will be renewed annually with a \$1,000 lender fee.

LAKEWOOD UTILITIES, LLC

**SUMMARY OF SIGNIFICANT ASSUMPTIONS
FOR THE YEAR ENDING DECEMBER 31, 2010**

Note A. Significant Accounting Assumptions (Continued)

Operating expenses

Operating expenses are forecasted based on management's experience in the industry and Lakewood Camping Resort, Inc.'s experience in running the system. The following are detailed assumptions for operating expenses:

1. Administrative Salaries - Management expects to employ one full time administrative assistant at an hourly rate of \$10 per hour.
2. Postage - The annual cost of mailing 700 invoices per month is forecasted to be \$3,696.
3. Auto - Auto expense includes fuel and maintenance related to use of the truck contributed to Lakewood Utilities, LLC by Lakewood Camping Resort, Inc.
4. Payroll taxes -- Payroll taxes are forecasted at 7.65% of total salaries.
5. Professional fees -- Professional fees are forecasted at \$100 per month.
6. Licenses and permits - Licenses and permits are forecasted at \$155 annually.
7. Bank Charges - Bank charges relating to maintenance of a business checking account are forecasted to be \$10 per month.

Other items

Other detailed assumptions follow:

1. Accounts receivable - the Company will bill one month in arrears.
2. Accounts payable and accrued liabilities - Accounts payable and accrued liabilities are forecasted to reflect cost and expenses for 30 days.

Lakewood Utilities, LLC

Performance Bond

Lakewood Utilities, LLC

Lakewood Utilities, LLC has obtained a Letter of Credit in the amount of \$100,000 from South Carolina Banking and Trust.

Lakewood Utilities, LLC hereby respectfully requests that the Public Service Commission of South Carolina accept this Letter of Credit to meet the requirements of the Code of Regulations Section R.103-712.4(B)(10).

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: SCBT, N.A.
520 GERVAIS STREET
PO BOX 100113
COLUMBIA, SC 29202-3113

Date of Issue: 08-24-2009 Letter of Credit Number: 881

Amount: U.S. \$ 100,000.00
(ONE HUNDRED THOUSAND AND NO/100 U.S. DOLLARS)

For Benefit Of:
Beneficiary Name and Address

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
101 EXECUTIVE CENTER DRIVE, SUITE 100, COLUMBIA, SC 29210

For Account Of:
Applicant Name and Address

LAKEWOOD UTILITIES, LLC
C/O LAKEWOOD CAMPING RESORT, INC., 5901 SOUTH KINGS HWY
MYRTLE BEACH, SC 29575

LETTER OF CREDIT. Issuer establishes this Irrevocable Standby Letter of Credit (Letter of Credit) in favor of Beneficiary in the amount indicated above. Beneficiary may draw on this Letter of Credit with a Draft (or Drafts, if the maximum number of drawings is greater than one) together with the documents described below. Each Draft shall be signed on behalf of Beneficiary and be marked "Drawn under [Issuer name] Letter of Credit No. [Letter of Credit number] dated [Letter of Credit date]." Drafts must be presented at Issuer's address shown above on or before the Expiration Date. The presentation of any Draft shall reduce the Amount available under this Letter of Credit by the amount of the Draft.

This Letter of Credit sets forth in full the terms of Issuer's obligation to Beneficiary. This obligation cannot be modified by any reference in this Letter of Credit, or any document to which this Letter of Credit may be related.

This Letter of Credit expires on the Expiration Date.

DRAWINGS.

- ☐ Partial drawings shall not be permitted under this Letter of Credit.
☒ Partial drawings are permitted. The maximum number of drawings that may be made is _____.

DOCUMENTS. Each Draft must be accompanied by the following, an original and two copies except as stated:

- ☒ The original Letter of Credit, together with any amendments.
☒ A sight draft drawn by Beneficiary on Issuer.
☒ A signed statement by Beneficiary including the following statement: APPLICANT HAS FAILED TO PERFORM AS AGREED
☐ Other documents:

Issuer shall be entitled to accept a draft and the documentation described above, as required by the terms of this Letter of Credit, from any person purporting to be an authorized officer or representative of Beneficiary without any obligation or duty on the part of Issuer to verify the identity or authority of the person presenting the draft and such documentation.

SPECIAL INSTRUCTIONS: THE LETTER OF CREDIT MAY AUTOMATICALLY RENEW UNLESS APPLICANT NOTIFIES ISSUER AT LEAST 90 DAYS PRIOR TO EXPIRATION. BANK MAY ELECT, AT ITS SOLE DISCRETION, TO NOTIFY BENEFICIARY OF BANK'S INTENTION NOT TO RENEW UNLESS RENEWAL FEES, UPDATED FINANCIAL INFORMATION AND OTHER MATERIALS ARE IN HAND TO SUPPORT THE RENEWAL.

EXPIRATION DATE. This Letter of Credit expires at the close of business at Issuer's address at 12:00PM (Time) on 08-24-2010 (Date). Issuer agrees to honor all Drafts presented in strict compliance with the provisions of this Letter of Credit on or before the Expiration Date.

- ☐ If Beneficiary has not drawn the full amount of this Letter of Credit prior to the Expiration Date, the Expiration Date shall be extended for a period of _____ days from the Expiration Date, unless Issuer notifies Beneficiary in writing at least _____ days prior to the Expiration Date that Issuer elects not to extend this Letter of Credit. In any event, this Letter of Credit shall expire on _____ without any notice from Issuer to Beneficiary.

TRANSFERABILITY. This Letter of Credit is ☐ transferable ☒ non-transferable.

APPLICABLE LAW. This Letter of Credit shall be governed by:

- ☒ the Uniform Customs and Practice for Documentary Credits, 2006 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later version or amendment.
☐ the International Standby Practices 1998 (ISP98).

This Letter of Credit shall also be governed by the laws of SOUTH CAROLINA, the United States of America, so long as such laws are not inconsistent with the UCP or ISP, as applicable.

SCBT, N.A.

(Issuer Name)

By

(Signature)

(Date)

8-24-09

JOEL ODOM

(Signer Name and Title)

Lakewood Utilities, LLC

Statement by Professional Engineer

Lakewood Utilities, LLC

As stated in section 4 above, the construction of the water and sewer systems is essentially completed.

In view of the above, Lakewood Utilities, LLC hereby respectfully requests that the Public Service Commission of South Carolina grant a waiver to Lakewood Utilities, LLC for the requirement of a statement by a Professional Engineer as required by Code of Regulations Section R.103-712.4(B)(11).

Lakewood Utilities, LLC

DHEC Operating Permit

STATE OF SOUTH CAROLINA

Public Water System OPERATING PERMIT

Issued in accordance with the provisions of the State Safe Drinking Water Act (SDWA) (S.C. Code Ann. § 44-55-10 et seq., 1976) and the State Primary Drinking Water Regulations (SPDWR) (R.61-58).

This Permit is Issued to: *LAKEWOOD CAMPING RESORT INC*
CONTACT: *MELISSA GAUSE*

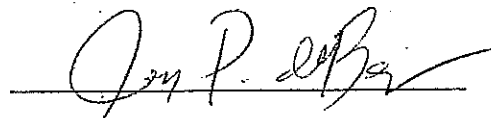
For the Operation of a Public Water System Serving: *LAKEWOOD CAMPING
RESORT INC*

County: *Horry*

Public Water System Name: *LAKEWOOD CAMPING RESORT INC*

Permit Number: *2660049*

Date of Issuance: *May 25, 2007*



Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division



South Carolina Department of Health
and Environmental Control

Lakewood Utilities, LLC

As stated in section 3 above, Lakewood Camping Resort, Inc. has been in operation under an operating permit issued by DHEC since 1988. Lakewood Camping Resort, Inc's current operating permit is valid through May 25, 2010. On behalf of Lakewood Camping Resort, Inc., Lakewood Utilities, LLC intends to apply to DHEC for a renewal of the operating permit.

In view of the above, Lakewood Utilities, LLC hereby respectfully requests that the Public Service Commission of South Carolina accept the operating permit issued to Lakewood Camping Resort, Inc. as the operating permit for Lakewood Utilities, LLC, and otherwise grant a waiver to Lakewood Utilities, LLC for the requirement of a DHEC operating permit as required by the Code of Regulations Section R.103-712.4(B)(12).

Lakewood Utilities, LLC

Customer Bill Form



5901 S. Kings Hwy.
Myrtle Beach, SC 29575

5901 S. KINGS HWY MYRTLE BEACH, SC 29575 (843) 238-5161

Please send payment in return envelope to above address

JOHN Q DOE
P.O. BOX 100
ANYWHERE SC 12345-0100

ACCOUNT NUMBER		
004003840 07		
SERVICE FROM	SERVICE TO	READING DATE
12/17/2008	01/28/2009	01/28/2009
PREVIOUS READING	CURRENT READING	GALLONS USED
3080	3104	24
METER SERIAL NO.	DATE BILL MAILED	DUE DATE
0040038407	06/05/2009	06/05/2009
TOTAL DUE NOW		AFTER DUE DATE
18.50		20.35

THIS IS YOUR MONTHLY WATER BILL.
A "FINAL NOTICE" WILL NOT BE SENT.
PLEASE INDICATE CHANGE OF ADDRESS OR PHONE NUMBER HERE

ADDRESS: _____

PHONE: _____


PLEASE RETURN THIS PORTION WITH PAYMENT IN THE ENCLOSED ENVELOPE.



5901 S. KINGS HWY
MYRTLE BEACH SC 29575
(843) 238-5161

KEEP THIS COPY FOR YOUR RECORDS.

THIS IS YOUR MONTHLY WATER BILL.
A "FINAL NOTICE" WILL NOT BE SENT.

ACCOUNT NUMBER		ACCOUNT NAME		ADDRESS		
04003840 07		JOHN Q DOE		327 SCOTT STREET		
SERVICE FROM		SERVICE TO	NO. DAYS	READING DATE	DATE BILL MAILED	DUE DATE
12/17/2008		01/28/2009	42	01/28/2009	06/05/2009	06/05/2009
PREVIOUS READING		CURRENT READING	GALLONS USED	METER SERIAL NO.		
3080		3104	24	0040038407		

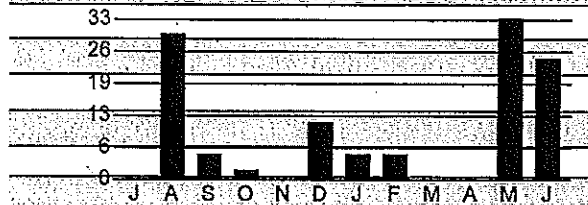
CHARGES

PREVIOUS BALANCE

WATER 11.75

SEWER 6.75

YOUR WATER USE — GALLONS / OVER THE LAST 12 MONTHS



TOTAL DUE NOW 18.50

BILL IS DELINQUENT AFTER DUE DATE AND IS SUBJECT TO A LATE PENALTY.

PLEASE NOTE — ACCOUNTS WITH A PREVIOUS BALANCE MAY BE DISCONNECTED WITHOUT FURTHER NOTICE.

AFTER DUE DATE PAY 20.35

COMPANY WIDE MONTHLY AVERAGES

Average Gallons Used This Month Per Member:
Average Water Bill This Month Per Member:



Lakewood Utilities, LLC

Other